



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 128

Chairperson: Rich Pahls
Committee: Banking, Commerce and Insurance
Date of Hearing: January 30, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 128 is a bill introduced at the request of the Nebraska Department of Banking and Finance. Its primary purpose is to update and revise the Nebraska Installment Sales Act by adding conditions for licensing of installment sales companies.

Sections 4 and 5 of LB 128 set forth the substantive changes to the Nebraska Installment Sales Act. Section 4, which amends section 45-346, would provide that applicants for an installment sales license must have a minimum net capital requirement of \$100,000 and must provide a surety bond of \$50,000 to cover any claims. Section 5 is a new section which provides that these new requirements are ongoing, and will be a condition of license renewal. Current law provides that applicants for licenses are required to submit audited financial statements as a condition of initial licensing. Under LB 128, that requirement will also be a part of the license renewal process. Current licensees would have until October 1, 2008 to meet these new requirements. Sections 4 and 5 also reflect a reorganization of the act so that initial licensing conditions will be contained in section 4 and renewal/ongoing requirements will be in section 5.

The remaining sections of LB 128 provide referencing updates to the act by changing the phrase "sections 45-334 to 45-353" to "the Nebraska Installment Sales Act."

Principal Introducer:

Senator Rich Pahls